REMARKS

Applicants gratefully acknowledge the Examiner's acknowledgment of receipt of the amendment filed March 15, 2004 amending Claims 1, 3, 6, and 9, and adding Claim 11.

Claims 1-11 are currently pending in the application. Claim 1 has been amended to correct an informality by inserting the word "the" at line 7. In addition, Claim 5 has been amended to correct an informality by changing the word "determines" to "determining" at line 5. Finally, Claim 7 has been amended to correct an informality by changing the word "determines" to "determining" at line 5. No new matter has been added.

The Claimed Invention

The claimed invention is directed to applications of open-cry and descending price auctions of single or multiple copies of indivisible goods. (Specification at page 3, lines 3-5) In general, at open-cry auctions, also known as "English auctions," a buyer can hear bids submitted by rival buyers and has a limited time to respond with higher counter-bids. (Specification at page 2, lines 14-19) In descending price auctions, also known as "Dutch auctions," the auctioneer starts with a high asking price, then gradually decreases the asking price until at least one buyer emerges with a bid. In such an auction, the seller can continue lowering his or her bid to maintain a stream of buyers as long as the inventory lasts. The seller can also control the rate at which inventory is depleted by controlling the rate at which the bid is lowered. (Specification at page 3, lines 13-14) Thus, where the bid increment is positive in an open-cry auction, the bid increment is negative in a descending price auction. Otherwise, the two types of auctions embody similar ideas. (Specification at page 11, lines 18-23) Either type of auction may conventionally be conducted live or online. (Specification at page 3, lines 24-26)

In the current state of the art of auction procedure, every time any node (i.e., server) processes a set of bids, it determines the global winners; i.e., it determines the

winning bids among all the bids received thus far. These winning bids are selected based on pre-specified rules. (Specification at page 6, lines 21-24)

The claimed invention provides computer implemented distributed bid processing methods wherein bids for open-cry or descending price auctions may be processed, and loser bids filtered out in a decentralized manner at an early stage of processing, using multiple nodes with one or more servers (processors) at each node. (Specification at page 6, lines 9-19) The determination of loser bids is thus important in efficiently identifying the candidate winning bids, and the division of the processing into two parts is also important in efficiently arriving at a current set of winners. (Specification at page 7, lines 7-10)

The claimed invention employs a Current Local Winner (CLW) determination method to separate loser bids from potentially winning bids and a Current Global Winner (CGW) determination method to determine winning bids. The terms CLW and CGW are defined and discussed at great length in the Specification. (*See* Specification at page 6, line 24 – page 13, line 22) The claimed invention employs CLW determination methods to determine a set of potentially winning bids so that loser bids may be filtered out locally and not considered in the CGW process. A potential winner from a CLW determination may be processed again by a CLW determination process or may be finally processed in the CGW determination process. Benefits of the filtering function thus performed by the CLW process include, among other things, maintaining the efficiency of the CGW process by preventing it from becoming loaded by heavy traffic attributable to the handling of loser bids. (Specification at page 7, lines 2-10) Distinct CLW and CGW determination methods are provided for open-cry auctions and descending price auctions. (Specification at page 12, line 12, and at page 13, line 1)

There are two CLW determination methods which may be applied to open-cry auctions according to the claimed invention. In the first CLW determination method for open-cry auctions (CLW 1), shown in Figure 3, a new bid(v,q) is input at 301, and a Segregation Filter is used in decision block 302. This filter process considers a bid(v,q),

where v denotes the price per unit and q denotes the quantity desired. It checks to see if this bid ranks in the top $\lfloor N/q \rfloor$ bids (in terms of price/unit bid value) among all the bids asking for quantity q whose information is available to this process, $\lfloor x \rfloor$ stands for the greatest integer less than or equal to x, while N denotes the number of copies of a single item on sale. In decision block 302, a determination is made as to whether the new bid is a modification and the original bid is in the top $\lfloor N/q \rfloor$ bids asking for quantity q. If so, the value v of the original bid is updated in function block 303. If not, then to decide whether a bid is a winner or a loser, the process takes this bid along with the set of $\lfloor N/q \rfloor$ bids that have been processed 304 and determines a new set of top $\lfloor N/q \rfloor$ bids in function block 305. *A determination is then made in decision block 306 to determine if bid(*v,q*) is in the top /*N/q*/bids. If it is not, it is deemed a loser bid, as it can never be a winning bid, and notification is sent to the bidder in function block 307.* If it is in the top $\lfloor N/q \rfloor$ bids, it is declared a candidate bid and a check is made to see if another bid has dropped from the list of top $\lfloor N/q \rfloor$ bids and, if so, then that bid is considered a loser bid and notification is sent to that bidder in function block 308. *The candidate bid is held for time, τ, in function block 309. If by time τ, through an arrival of another bid, a candidate bid loses its position among the top /*N/q*/highest bids, it is considered a loser bid.* Otherwise it is considered a winner candidate from this process and is made accessible for further processing. (Specification at page 8, line 24 – page 9, line 21)

In the second CLW determination method for open-cry auctions (CLW2), shown in Figure 4, a new bid(v,q) is input at 401 and in decision block 402, a determination is made as to whether the new bid is a modification and the original bid is currently a winner. As in the previous methods, if the bid under consideration is a modification and the original bid is currently a winning bid among the bids, whose information is available to this method, then the processing simply amounts to updating the bid value v in function block 403, and notification is sent to the bidder in function block 404. This process uses a Buffer Filter. This filter process considers a set of bids 405, whose information is available to this process, unsegregated by quantity and uses a set of pre-specified auction

rules identical to the CGW determination method in every respect except that it selects winners for auctioning $N+x$ copies of the item (the CGW method discussed below considers N copies) on sale in function block 406. *A determination is made in decision block 407 as to whether the bid(*v,q*) is a winner. These winner bids are called candidate winner bids and can be processed using other methods in function block 408. The losers are referred to as loser bids, and notification is sent to the bidders in function block 404.* (Specification at page 10, lines 5-22)

In the CLW determination method for descending price auctions (CLW3), shown in Figure 7, begins by taking a bid (q) for processing, where q is the quantity desired at going price p, at input 701. A determination is made in decision block 702 as to whether the bid is in the first $\lfloor R/q \rfloor$ bids, asking for quantity q at price p. *If the bid is in the first* /R/q/ *bids (asking for quantity* q *at the going price* p*) processed by the method, then the bid is a candidate winner bid; otherwise, it is a loser.* A candidate winner bid is available for further processing at function block 703. *In the case of a loser bid, notification is sent to the bidder at function block 704.* Each bid that is processed by the method either carries a time stamp of arrival or is given at the node while processing. It is assumed that if the time stamp already exists on the bid, then it must be greater than or equal to the time stamp of any bid (asking for quantity q at going price p) that has been processed by the method in the past. The main algorithm executed at each node is same as in the open-cry auction case. (Specification at page 13, lines 1-22)

The CGW determination process for open-cry auctions (CGW1), shown in Figure 2, *considers bids which have not been declared losers in the CLW1 or CLW2 process.* Using pre-specified auction bidding rules, CGW1 decides the set of current winner bids for auctioning N copies of a single item. A new bid(v,q) input at 201 is examined in decision block 202 to determine if the new bid is a modification and the original bid is currently a winner. *If not, then to decide whether a bid is a winner or a loser, the process takes this bid along with the set of all bids that have been processed 203 (declared either winning or losing in the auction in the past) and determines a new*

set of winners in function block 204 (using the auction bidding rules, defined below). Note that if the bid under consideration were a modification of a bid (let us call it the parent bid) submitted by the bidder in the past and the parent bid is currently a winning bid as determined in decision block 202, then the processing simply involves updating the bid value of the parent bid to the bid value v of the bid under consideration in function block 205. Notification is sent to the bidder of bid(v,q) in function block 206. *After the new set of winners is computed in function block 204, a determination is made in decision block 207 as to whether bid(v,q) is a winner or a loser. If a loser, then notification is sent to the bidder of bid(v,q) in function block 206.* If a winner, a message is sent to the bidder apprising him of this status in function block 208. (Specification at page 7, line 11 – page 8, line 2)

The CGW determination process for descending price auctions (CGW2), shown in Figure 6, begins by taking a bid (q) for processing, where q is the quantity desired at going price p, input at 601. The currently remaining quantity R on auction are obtained at 602. While the node, that is running this method, reads the available quantity on auction, no other process on any node can modify this value. A determination is made in decision block 603 as to whether $q<R$ or $q>R$ and the bidder is ready to accept a partial quantity. If $q \leq R$ or $q>R$ but the bidder is ready to accept partial quantity, then the method modifies the value of R to max (0, R-q) in function block 604. Also the method may send a notification to the bidder that his bid is accepted, etc. *On the other hand if $q>R$ and the bidder is not ready to accept partial quantity, then a notification may be sent apprising him or her of this situation in function block 605.*

Rejection of Claims 1-11

Claims 1-11 have been rejected under 35 U.S.C. § 103(a) as unpatentable over U.S. Patent No. 6,449,601 to Friedland et al. The claimed invention is in an area of esoteric technology, and the Examiner admits that the reference on which rejection is based does not squarely address all of the substance of the claims of the claimed invention. Applicants thus respectfully suggest that the Examiner has engaged in impermissible hindsight as well as an improper assertion of technical fact in an area of esoteric technology without appropriate support by citation of a reference work. (*See* M.P.E.P. § 2144.03, citing *In re Ahlert*, 424 F.2d 1088, 1091, 165 U.S.P.Q. 418, 422-21 (CCPA 1970)). The Examiner has also ignored definitions of claim terms expressly set forth in detail in the Specification. (*See* M.P.E.P. § 2111.01, citing *Toro Co. v. White Consolidated Industries Inc.*, 199 F.3d 1295, 1301, 53 U.S.C.P.2d 1065, 1069 (Fed. Cir. 1999) ("Where an explicit definition is provided by the applicant for a term, that definition will control interpretation of the term as it is used in the claim.")). Applicants respectfully traverse the rejection of Claims 1-11 on the basis that Friedland et al. do not suggest Claims 1-11, as discussed below.

Claim 1. In rejecting Claim 1, the Examiner has found that "Friedland discloses a distributed method for processing auction traffic using one or more servers at a plurality of nodes in a distributed processing system." (Office Action at 3) In making this finding, the Examiner relies in part on Figure 3 of the disclosure of Friedland et al. That Figure, however, does not show a "distributed processing system" but instead shows a system built around a single server:

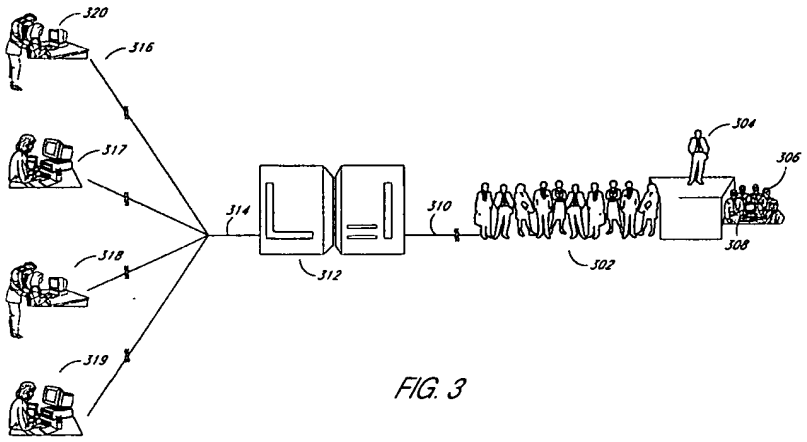

FIG. 3

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(Friedland et al., Figure 3) Figure 3 of the disclosure of Friedland et al., therefore, shows a system in which a conventional live auction may include remote bidders 316-319 whose participation in the live auction is mediated by a human operator 306 and using a centralized auction server 312. (*See* Friedland et al., column 7, line 61 – column 8, line 50) The Examiner also relies on the abstract of Friedland et al. for support; however, the abstract of Friedland et al. teaches a system in which remote bidders may participate in a live auction through a human agent and using a centralized processor:

> A method for distributing a live auction over the Internet to remote bidders. A human proxy attends the live auction in order to monitor the auction and compose status updates that are distributed to remote bidders via the Internet in real time to allow the remote bidders to follow the auction. Remote bidders may place bids for items that are transmitted via the Internet to the human proxy, who may then submit the bids to the auctioneer, components that facilitate distribution of the

> live auction over the Internet include: an auction console, an auction sever, collector/redistributor nodes, and client programs.

(Friedland et al., Abstract) While the abstract of Friedland et al. teaches "collector/restributor nodes," it does not teach processing of bids across multiple nodes, as does Claim 1 of the claimed invention. Moreover, the reliance by Friedland et al. on a human operator means that the teaching of Friedland et al. does not lead to a fully "computer implemented" auction as provided by claimed by Claim 1. The disclosure of Friedland et al. teaches a *computer assisted* rather than a *computer implemented* auction.

The Examiner has also found, in rejecting Claim 1, that Friedland teaches "[u]sing a *computer implemented* local winner determination method at each of the nodes to identify loser bids and candidate winning bids" and "[u]sing a computer implemented current global winner method to determine the candidate winning bids from each of notes a current set of winners." (Office Action at 3) (emphasis in the original) As noted above, the reliance in the disclosure of Friedland et al. on a human operator means that Friedland et al. teach a *computer assisted* rather than a *computer implemented* auction.

In addition, the Examiner has failed to recognize the thorough explanations of the term "current local winner determination method" (Claim 1, line 4) and "current global winner determination method" (Claim 1, line 6), which take up the major part of the Specification and which may be found in the Specification at page 6, line 24 – page 13, line 22 and at Figures 2, 3, 4, 5, 6, and 7. "Where an explicit definition is provided by the applicant for a term, that definition will control interpretation of the term as it is used in the claim." (M.P.E.P. § 2111.01, citing *Toro Co. v. White Consolidated Industries Inc.*, 199 F.3d 1295, 1301, 53 U.S.C.P.2d 1065, 1069 (Fed. Cir. 1999)). As Friedland et al. do not teach a "current local winner determination method" or a "current global winner determination method" as claimed by the claimed invention (Claim 1, lines 4, 6), the disclosure of Friedland et al. cannot be said to suggest those features. Furthermore, the cited portion of the disclosure of Friedland et al. does not teach a "local winner determination method" (Office Action at 3) as found by the Examiner but instead

provides:

> Each remote bidder interacts with a client program running on a remote computer. The client program allows the remote bidder to log into a *distributed live auction* ("DLA") system in order to register as a remote bidder for a particular live auction. *At the time that the live auction is conducted, the remote bidder interacts with the client program on the remote computer in order to follow the course of the real-time, live auction, and to submit bids. The remote bidder receives status updates concerning the bidding, lot state, and lot sequencing from the live auction via a graphical user interface provided on the remote computer by the client program, and may interact with the graphical user interface in order to submit bids for a particular lot.*
>
> *The collector/redistributor nodes are heirarchically interconnected and serve to efficently collect and filter bids from a large number of remote bidders and pass potentially winning bids onto the auction server, and also serve to efficiently broadcast status messages concerning the live auction received from the auction server to a large number of remote client programs running on remote computers.*
>
> *The auction server is a centralized connection point that interconnects collector/redistributor nodes, on-site auction consoles, and a database that computationally mirrors the states of one or more live auctions and that stores detailed information about both on-going and upcoming auctions.* The auction server is the focal point for collecting bids from remote bidders and for distributing status information about one or more concurrent live auctions to remote bidders. Moreover, the auction server manages extensive information about current and future auctions, including detailed inventory lists and lot assignments. The auction server is directly connected to root-level collector/redistributor nodes and is also connected, via the Internet, to one or more auction consoles.

> The auction console is a program running on a computer, often a laptop computer, that interacts with a human proxy in the audience of the live auction. The human proxy is notified of bids from remote bidders via the auction console program and may submit bids to the auctioneer during the auction process. The human proxy monitors the auction, reports changes in the state, such as successful bids or sales, as well as changes in the lot sequence or assignments via the auction console program to the auction server.
>
> The DLA solves the problems associated with distributing a real-time, live auction using a combination of technologies, communications protocols, software programs, human proxies, centralized databases, and auction management methodologies. In particular, the human proxy is able to monitor and interact with the auction process in real-time, as well as monitor and report changes in lot sequences and assignments. The DLA architecture provides an efficient extremely fast medium for distributing status information about an auction to a large number of remote bidders and for collecting bids from remote bidders and presenting them to the auctioneer. The present invention thus provides a method for bringing the excitement and time efficiency of a live auction to remote bidders over the Internet.

(Friedland et al., column 3, lines 10-67) (emphasis added) Thus, the portion of the disclosure of Friedland et al. cited in support of rejection does not teach the "local winner determination method" (Office Action at 3) for which it has been cited. In addition, the "distributed live auction (DLA)" which is taught by Friedland et al. does not involve distributed processing as claimed by the claimed invention but instead involves a system in which there is distributed participation by remote bidders in an auction for which processing is centralized. The "collector/redistributor nodes" taught by Friedland et al. do not perform auction processing but instead "collect and filter bids from a large number of remote bidders and pass potentially winning bids onto the auction server." The passage cited by the Examiner in support of rejection thus serves to underscore the fact that

Friedland et al. teach a system in which, unlike Claim 1, a conventional live auction may include remote bidders whose participation in the live auction is mediated by a human operator and using a centralized auction server.

The Examiner has recognized that "Friedland fails to identify loser bids." (Office Action at 3) Recognizing the deficiency of Friedland et al. in this regard, the Examiner has relied on argument to assert that "the determination of winning bids would also include the determination of loser bids within the filtering process." (*Id.*) The portion of the disclosure of Friedland et al. cited in support of the rejection, which is set forth in block quotes in the discussion above, does not include any reference to "loser bids" or an equivalent term. As a result, the reference does not support the point in support of which it has been offered. Applicants thus respectfully suggest that the Examiner's comments in this regard constitute impermissible hindsight as well as an improper assertion of technical fact in an area of esoteric technology without support by citation of any reference work. (*See* M.P.E.P. § 2144.03, citing *In re Ahlert*, 424 F.2d 1088, 1091, 165 U.S.P.Q. 418, 422-21 (CCPA 1970)).

The claimed invention determines loser bids in a "current local winner determination" (not taught by Friedland et al.) in order to withhold loser bids from processing in a "current global winner determination" (not taught by Friedland et al.), all of which is integral to the distributed bid processing method claimed by Claim 1 and wholly absent from the disclosure of Friedland et al.

Applicants respectfully submit that Claim 1 of the claimed invention is not suggested by the disclosure of Friedland et al.

Claim 2. In rejecting Claim 2, the Examiner has found that "Friedland discloses wherein the auction is an open-cry auction." (Office Action at 3) In making this finding, the Examiner has failed to recognize the thorough explanation of the term "open-cry auction" (Claim 2, line 1) which is set forth in contrast to "descending price auction" in the Specification:

> In an open-cry auction, also called an "English auction", the buyers gather at a common location, physical or virtual, at the pre-specified time. Each buyer can hear the bid submitted by a rival buyer and has a limited time to respond to it with a higher counter-bid. In physical auctions, the responses must be received within seconds, while in Internet auctions it is conceivable that several minutes or hours will be allowed for the response . . . .
>
> Descending price auctions (also known as "Dutch auctions" . . .) are better suited for perishable items such as vegetables or airplane seats. Here the auctioneer starts with a very high asking price. Then he gradually decreases his asking price until buyers emerge with bids specifying how many items they will purchase at the current asking price. He can continue lowering his bid to maintain a stream of buyers while the inventory lasts. Furthermore, he can control how fast he depletes his inventory by controlling the rate at which he lowers the bid.

(Specification at page 2, lines 15-21, and at page 3, lines 5-14) Further explanation of these terms is provided elsewhere in the Specification. (*See, e.g.*, Specification at page 3, line 21 – page 5, line 1; Specification at page 8, lines 5-23) "Where an explicit definition is provided by the applicant for a term, that definition will control interpretation of the term as it is used in the claim." (M.P.E.P. § 2111.01, citing *Toro Co. v. White Consolidated Industries Inc.*, 199 F.3d 1295, 1301, 53 U.S.C.P.2d 1065, 1069 (Fed. Cir. 1999)). Furthermore, the cited portions of the disclosure of Friedland et al. do not discuss either open-cry auctions or descending price auctions but instead refer to "live auctions." As used in the disclosure of Friedlander et al., a live auction appears to include either a live auction conducted under rules that would constitute an open-cry auction, as that term is defined in the Applicants' Specification, or under rules that would constitute a descending price auction, as that term is defined in the Applicant's Specification. Furthermore, as the terms open-cry auction and descending price auction are used in the claimed invention, either term could refer to an auction that is live other not live (as that term in used in the disclosure of Friedland et al.). There is thus no

correspondence between the term "live auction" as used by Friedlander et al. and the term "open-cry auction" as used in Claim 2 of the claimed invention.

Applicants respectfully submit that Claim 2 of the claimed invention is not suggested by the disclosure of Friedland et al.

Claims 3, 6, and 9. In rejecting Claims 3, 6, and 9, the Examiner has found that "Friedland discloses a distributed method (see fig. 3) for processing open-cry auction traffic using one or more servers at a plurality of nodes in a distributed processing system." (Office Action at 4) As discussed above, however, neither Figure 3 of Friedland et al. (set forth above) nor any other part of their disclosure appears to teach such aspects of the claimed invention. As discussed above, Friedland et al. teach a "distributed live auction" system in which auction participation is distributed but processing is centralized. The nodes depicted in Figure 3 of Friedland et al. are nodes for viewing an auction and are not nodes for the distributed processing of the auction. (*See* Friedland et al., column 8, lines 17-27) In addition, Friedland et al. teach a "live auction" but do not teach an "open-cry auction" as that term is defined in the specification, as discussed above.

The Examiner has also found that "a current local winner determination method at each of the nodes to identify loser bids and candidate winning bids" is suggested by the disclosure of Friedland et al. (Office Action at 4) As discussed above, however, the term "current local winner" is expressly defined in the Applicants' Specification and does not as such appear in the disclosure of Friedland et al. In addition, the Examiner has acknowledged that the disclosure of Friedland et al. does not teach "loser bids," as discussed above in connection with the rejection of Claim 1.

The Examiner has found the terms "bid(v,q)" and "[N/q] bids" to be suggested by the disclosure of Friedland et al. The significance and meaning of the terms "bid(v,q)" and "[N/q] bids" is defined in the express language of Claims 3, 6, and 9:

> receiving a new bid(v,q) at a node, where v denotes the price per unit and q denotes the quantity desired

(Claim 3, lines 7-8; *see also* Claim 6, lines 7-8); and

checking to see if the new bid ranks in the top $\lfloor N/q \rfloor$ bids, in terms of price/unit bid value, amongst all the bids asking for quantity q whose information is available to this process, where N is a number of copies of a single item on sale.

(Claim 3, lines 9-11) The claim language is not suggested by the portions of the disclosure of Friedland et al. cited by the Examiner in support of rejection, which simply speak generically of "bids."

The Examiner has further found the "a current global winner determination method to determine from the candidate winning bids of each of the nodes a current set of winners" is suggested by the disclosure of Friedland et al. (Office Action at 4) As discussed above, however, the term "current global winner" is expressly defined in the Applicants' Specification and does not as such appear in the disclosure of Friedland et al. In addition, and as discussed above, the "nodes" taught by Friedland et al. are nodes for remote bidders to participate in a live auction and not nodes for distributed processing as in the claimed invention. Because the Examiner has made reference to the rejection of Claim 1 in this regard, the foregoing discussion of the rejection of Claim 1 is hereby incorporated by reference.

Applicants respectfully submit that Claims 3, 6, and 9 of the claimed invention are not suggested by the disclosure of Friedland et al.

Claims 4, 5, 7, 8, and 10. The Examiner has maintained, without discussion, the previous rejection of dependent Claims 4, 5, 7, 8, and 10 from the office action mailed December 19, 2003. Applicants hereby traverse and incorporate the discussion of the rejection of those claims from the Applicants' paper filed March 15, 2004, in response to that office action, as if such discussion were fully restated herein. Applicants also hereby incorporate by reference the foregoing discussion of Claims 3, 6, and 9, from which Claims 4, 5, 7, 8, and 10 depend.

Claim 11. Claim 11 of the claimed invention, which was added by amendment filed March 15, 2004, claims "[t]he method of claim 1, wherein bidders submit multi-item bids and the bids may be indivisible." Because Claim 11 is dependent from Claim 1, the foregoing response to the rejection of Claim 1 is hereby incorporated by reference.

In explaining the rejection of Claim 11, the Examiner has provided only the following explanation:

> Bidders submit multi-item bids and the bids may be indivisible (see Friedland, col. 8, ll. 10-50).

(Office Action at 5) The portion of the disclosure of Friedland et al. cited by the Examiner in support of rejecting Claim 11, however, does not include any teaching as to whether bids may be single-item or multi-item or as to whether bids may be divisible or indivisible:

> The DLA auction server 312 may be implemented on one or more high-end server PCs, workstations, mini-computers, or mainframes. The DLA auction server 312 incorporates the incoming status information from the DLA human proxy 306 into a database representation of the instantaneous state of the auction, and, at the same time, broadcasts status updates via the Internet 314 to a number of remote bidders 316-319. The remote bidders 316-319 monitor the live auction via the status information broadcast from the DLA auction server 312, and may also listen to the auction via real-time audio broadcast of the live auction or watch the auction via real-time video broadcast of the live auction captured by one or more recording devices (not shown) and transmitted to the remote bidders via the Internet or possibly through other communications media, including cable TV and radio. The remote bidders may submit bids for particular items in real-time, just as if they were present, in-person, in the audience 302.
>
> Remote bidders submit a bid via the DLA client program running on the remote bidders' computer system, for example computer system 320, which are then transmitted via the Internet 314 to the auction server 312. Remote bids are

> filtered and verified by the DLA system so that only valid bids from authorized remote bidders are transmitted by the DLA auction server 312 to the DLA human proxy 306 via the Internet 310 and the DLA auction console running the DLA human proxy's computer DLA 308. Upon receiving a remote bid from a remote bidder, the DLA human proxy 306 may then interact with the auctioneer 304 to submit the bid. If the bid is accepted, that fact, like any other status information concerning the live auction, is submitted by the DLA human proxy 306 via the DLA auction console running on the DLA human proxy's computer 308 and the Internet 310 to the DLA auction server 312 for subsequent broadcast to the remote bidders 316-319. In order for the remote bidders to effectively participate in the live auction, the remote bidders need to receive status updates from the live auction in time periods on the order of a second or less, and, in the same time interval, need to be able to submit bids that appear on the DLA auction console running on the DLA human proxy's computer 308.

(Friedland et al., column 8, lines 10-50) The cited portion of the disclosure of Friedland et al. does not discuss whether bidders may "submit multi-item bids" or whether "bids may be indivisible" is thus not relevant to the point in support of which it has been cited.

Applicants respectfully submit that Claim 11 of the claimed invention is not suggested by the disclosure of Friedland et al.

Conclusion

In view of the foregoing, it is respectfully requested that the application be reconsidered, that Claims 1-11 be allowed, and that the application be passed to issue.

Should the Examiner find the application to be other than in condition for allowance, the Examiner is requested to contact the undersigned at the local telephone number listed below to discuss any other changes deemed necessary in a telephonic or personal interview.

A provisional petition is hereby made for any extension of time necessary for the continued pendency during the life of this application. Please charge any fees for such provisional petition and any deficiencies in fees and credit any overpayment of fees to Deposit Account No. 50-0510 (IBM-Yorktown).

Respectfully submitted,

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